

ACEA GROUP

1H2014 Results



Rome, 29 July 2014

Acea Group: financial highlights

Acea Group 1H2014 Results

(€m)	1H2013 Restated*	1H2014	Change %	1H2013	1H2014 Adjusted**	Change %		
Consolidated revenues	1,642.2	1,511.2	-8.0%					
Profit/(Loss) on investments consolidated under IFRS 11	26.2	8.6	-67.2%					
- of which: EBITDA	65.9°	60.6	-8.0%					
- of which: Amortisation, depreciation and provisions	(34.8)	(39.5)	+13.5%					
- of which: Financial income/(expense)	11.2°°	(4.9)	n.s.					
- of which: Income tax expense	(16.0)	(7.6)	-52.5%					
Gross Operating Margin	585.8	595.6	+1.7%					
Personnel costs	118.7	126.4	+6.5%					
Operating costs	136.3	138.2	+1.4%					
EBITDA	330.8	331.0	+0.1%	370.4	383.0	+3.4%		
Amortisation, depreciation and provisions	149.0	142.6	-4.3%					
EBIT	181.8	188.4	+3.6%	186.6	200.9	+7.7%		
Financial income/(expense)	(51.4)	(50.9)	-1.0%					
Profit/Loss from equity investments	(1.8)	1.1	n.s.					
Profit/(loss) before tax	128.6	138.6	+7.8%	144.5	146.2	+1.2%		
Income tax expense	51.5	54.9	+6.6%					
Net profit/(loss)	77.1	83.7	+8.6%	77.1	83.7	+8.6%		
Minority interest	6.5	3.2	-50.8%					
Group net profit/(loss)	70.6	80.5	+14.0%	70.6	80.5	+14.0%		
Capex	135.2	142.3	+5.3%	165.7	176.2	+6.3%		
(€m)	30 June 2013 restated*	31 Dec 2013 restated* (a)	31 March 2014	30 June 2014 (b)	Change (b-a)	31 Dec. 2013 (a)	30 June 2014 Adjusted**(b)	Change (b-a)
Net Debt	2,256.6	2,248.6	2,323.9	2,376.7	128.1	2,468.2	2,620.9	152.7
Shareholders' equity	1,376.9	1,406.8	1,446.6	1,427.0	20.2			
Invested Capital	3,633.5	3,655.4	3,770.5	3,803.7	148.3			

* After application of IFRS11.

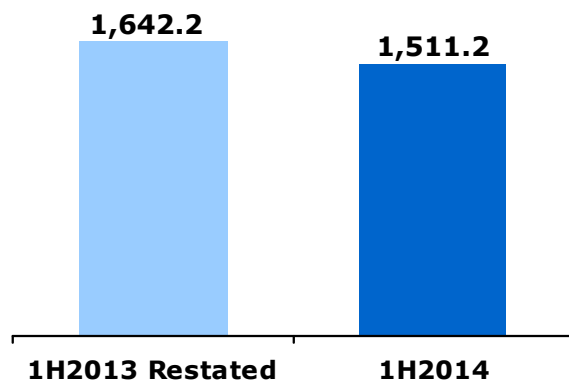
** Based on the accounting standards applied until 31 December 2013.

° Figure includes FNI water component for 2012 and 2013 (15.2 €m, after tax, of which 7.1 €m referring to 2012)

°° Figure includes financial income for discounting to present value of Gori's debt to Campania Region (approx 11 €m, after tax)



REVENUES €m

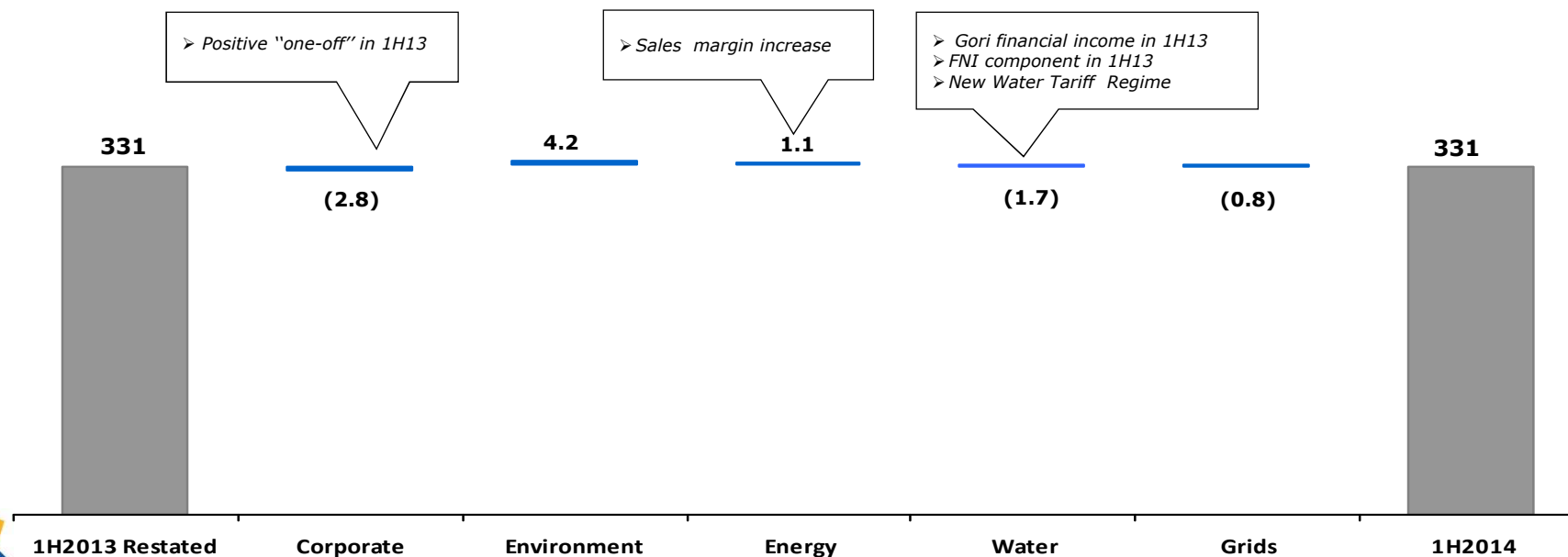


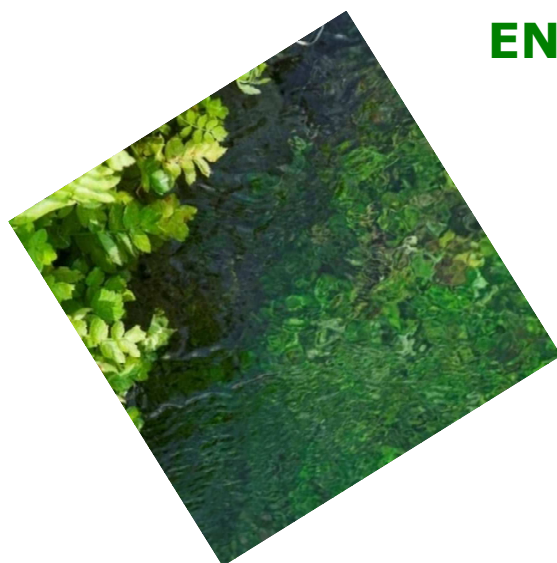
Total number of employees	1H2013 Restated	1H2014
Acea Spa	681	671
Environment	207	217
Energy	546	533
Water °	2,032	1,997
Network	1,403	1,381
Total	4,869	4,799

° Figures do not include:

- 1H2013 Overseas water operations: 395
- 1H2014 Overseas water operations: 421

EBITDA €m





ENVIRONMENT

EBITDA MAIN DRIVERS

- ▲ Aria Group (mainly Terni plant): +2.8 €m
- ▲ Aquaser Group: +0.7 €m

(€m)	1H2013 Restated (a)	1H2014 (b)	Change % (b/a)
EBITDA	23.6	27,8	+17.8%
Capex	4.8	4.6	-4.2%

Key quantitative data

	1H2013	1H2014
Treatment and disposal (/000s of tonnes)	389	399
WTE electricity sold (GWh)	118	121



ENERGY

EBITDA MAIN DRIVERS

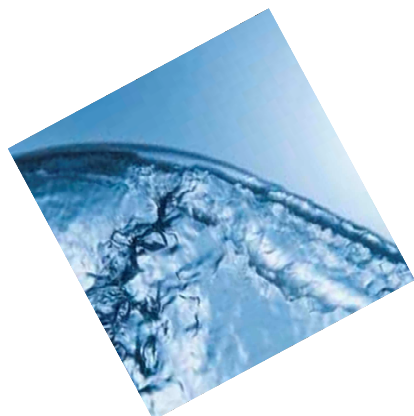
- ▲ Energy sales margin increase +2.6 €m
- ▼ Energy production margin decrease -1.4 €m

(€m)	1H2013 Restated (a)	1H2014 (b)	Change % (b/a)
EBITDA	44.5	45.7	+2.7%
▪ Production	20.5	19.1	-6.8%
▪ Sales	24.0	26.6	+10.8%
Capex	5.3	6.6	+24.5%

1H2013	1H2014 Adjusted	Change %
44.7	45.8	+2.5%

Key quantitative data

	1H2013	1H2014
Total Electricity production (GWh)	278	293
Total Electricity sold (GWh)	6,416	5,533
Enhanced Protection Market	1,689	1,568
Free Market	4,727	3,965
Total Gas sold (Mmc)	63	66



WATER

EBITDA MAIN DRIVERS

- ↑ Recognition of additional revenue following the application of the new Water Tariff Regime introduced by AEEGSI resolution 643/2013
- ↓ Recognition in 1H13 of FNI component for 2012 and 2013

(€m)	1H2013 Restated (a)	1H2014 (b)	Change % (b/a)	1H2013	1H2014 Adjusted	Change %
Profit/(Loss) on investments consolidated under IFRS 11	26.8	8.3	-69.0%			
- of which: EBITDA	66.2*	60.2	-9.1%			
- of which: Amortisation, depreciation and provisions	(34.5)	(39.4)	+14.2%			
- of which: Financial income/(expense)	11.2**	(4.9)	n.s.			
- of which: Income tax expense	(16.1)	(7.6)	-52.8%			
EBITDA	139.9	138.2	-1.2%	179.3	190.1	+6.0%
Capex	68.7	67.6	-1.6%			

Key quantitative data

	1H2013	1H2014
Total Volumes of water sold (Mmc)°	283	279

* Figure includes FNI component for 2012 and 2013

** Figure includes financial income for discounting to present value of Gori's debt

° Figure includes pro-rata contribution of water companies in Toscana, Umbria and Campania.

GRIDS



(€m)	1H2013 Restated (a)	1H2014 (b)	Change % (b/a)
EBITDA	119.9	119.1	-0.7%
Capex	52.0	59.1	+13.7%

Key quantitative data

	1H2013	1H2014
Total Electricity distributed (GWh)	5,290	5,061

CORPORATE



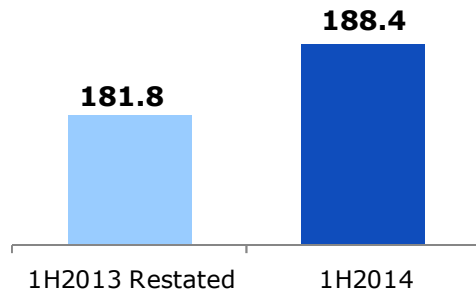
(€m)	1H2013 Restated (a)	1H2014 (b)	Change % (b/a)
EBITDA	3.0	0.2	-93.3%
Capex	4.4	4.4	-

In 1H13 there was a significant positive "one-off" item.



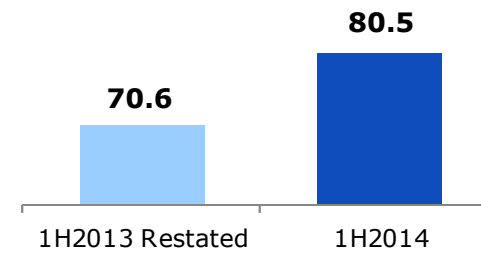
EBIT €m

← +6.6 €m (+3.6%) →

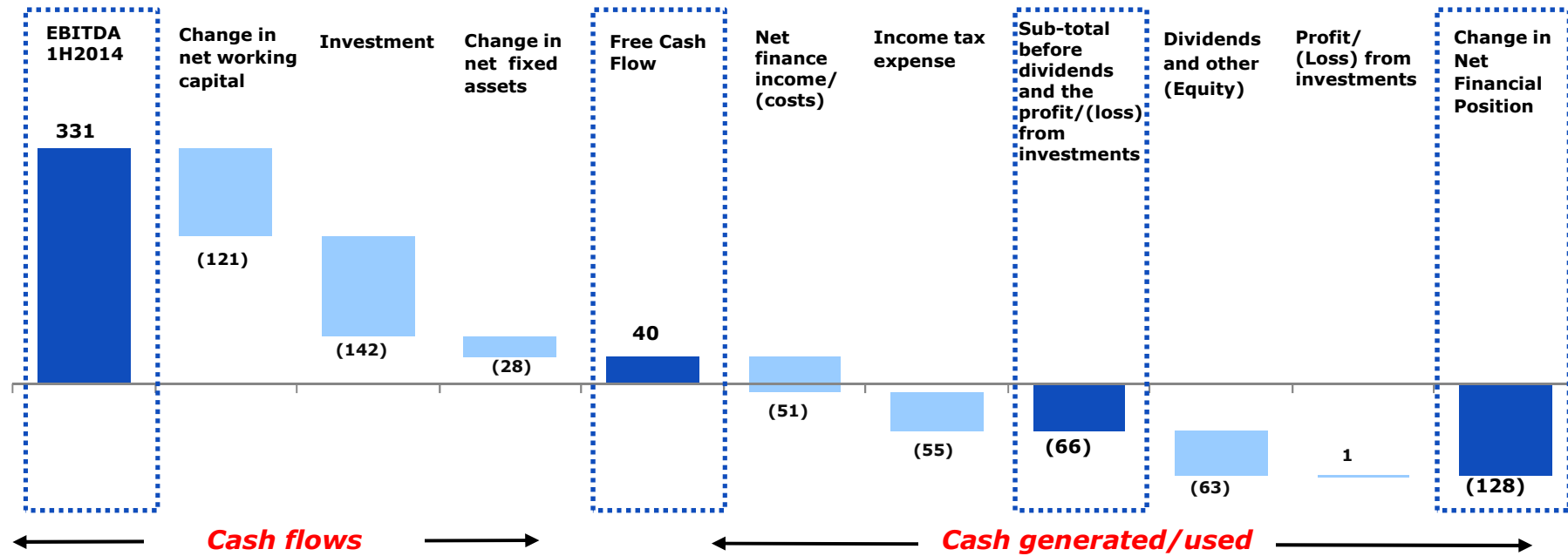


NET PROFIT €m

← +9.9 €m (+14.0%) →



(€m)	1H2013 Restated	1H2014	Change %
Amortisation	91.0	93.2	+2.4%
Depreciation	39.6	40.6	+2,5%
Provisions	18.4	8.8	-52.2%
Total	149.0	142.6	-4.3%



NET DEBT

(€m)	30 June 2013 Restated	31 Dec. 2013 Restated (a)	30 June 2014 (b)	Change (b-a)
Medium/Long-term	1,964.3	2,326.1	2,317.3	(8.8)
Short-term	292.3	(77.5)	59.4	136.9
Net Debt	2,256.6	2,248.6	2,376.7	128.1

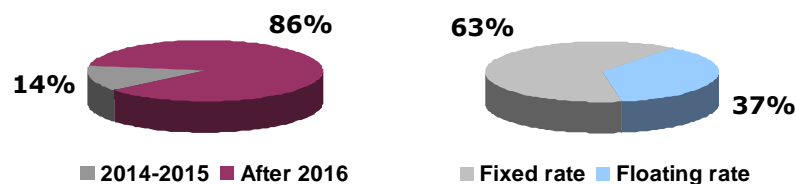
NET DEBT/ SHAREHOLDER'S EQUITY 31 Dec. 2013	NET DEBT/ SHAREHOLDER'S EQUITY 30 June 2014
1.60x	1.67x

Rating

STANDARD & POOR'S	FitchRatings KNOW YOUR RISK	MOODY'S
BBB-	BBB+	Baa2
<i>Stable Outlook</i>	<i>Stable Outlook</i>	<i>Stable Outlook</i>

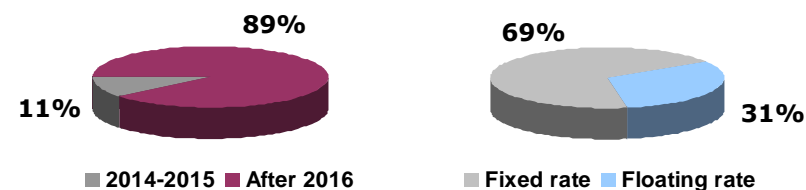
Debt structure (maturity and interest rates at 30 June 2014)

- 63% fixed rate
- average overall cost 3.4%
- Average term to maturity \approx 6 years



Debt structure after bond issue of 600 €m (maturity and interest rates at 31 July 2014)

- 69% fixed rate
- average overall cost 3.2%
- Average term to maturity \approx 7 years



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